GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2148
ANSWERED ON:14.03.2008
COMPULSORY CERTIFICATION OF MARKET INTERMEDIARIES
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Will the Minister of FINANCE be pleased to state:

(a) the criteria fixed by Securities and Exchange Board of India (SEBI) to recognise a stock exchange as market intermediary;

(b) whether in a bid to improve the quality of services available to investors, SEBI has made certification mandatory for all market participants handling investors` money and acting as advisory;

(c) if so, the details thereof; and

(d) the extent to which the investors are benefited by this step of SEBI?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): The criteria for recognition of stock exchanges have been specified in Section 4 of the Securities Contracts (Regulation) Act, 1956.

(b) and (c): Under the SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, SEBI shall notify from time to time the categories of associated persons who would be required to obtain the certification and also the date from which such certification would be necessary.

(d): Certification would improve the quality of intermediation and better services to investors.